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25 June 1984

MEMORANDUM FOR: Director of Central Intelligence

FROM:

المعامد بأداء

SA/DCI/IA

SUBJECT:

NSPG Meeting on Central America, 25 June 1984

- 1. You are scheduled to attend an NSPG meeting on Central America today at 2:00 p.m. in the White House Situation Room. Dewey Clarridge will be accompanying you. The agenda, which is at your left, indicates that you are slated to provide a five-minute review of the "Contra situation". Talking points on the state of the Contras, which were prepared by Dewey, are at TAB A.
- 2. Back-up talking points prepared by Bob Vickers that cover: Cuban efforts to promote an offensive in El Salvador this August; the continuing arms flow from Nicaragua to the Salvadoran guerrillas and the possible delivery by the Cubans of MIG aircraft to the Sandinistas before November, are at TAB B.
- 3. Finaly, at TAB C is the tasking memo from Bud McFarlane to Secretaries Shultz and Weinberger concerning the need to determine what additional allocations may be necessary under Section 21-D of the Arms Export Control Act.

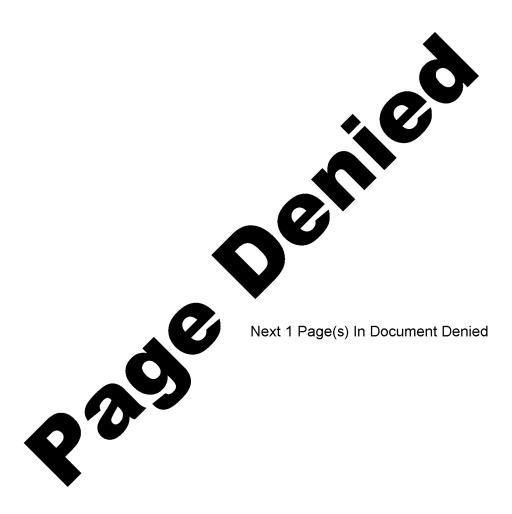
meet	4.	If there please	is anything call.	el se	you	need	to	help	prepare	you	for	this
	<i>J,</i>	,										
cc:	DDC	I										

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	These are the mater for the NSPG on Centr Over to you for reter whatever.	rials DCI had together ral America on 25 June. ntion, disposal or	

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The Director of Central Intelligence Washington, D.C. 20505

22 June 1984

National Intelligence Council

MEMORANDUM FOR:

Director of Central Intelligence

Deputy Director of Central Intelligence

THROUGH:

Chairman, National Intelligence Council

FROM:

Acting National Intelligence Officer for Latin America

SUBJECT:

Sandinista Posture on Negotiations

- 1. Attached are various Intelligence Community and CIA assessments of the Sandinista attitude toward negotiations as well as recent intelligence reports relevant to the Shultz trip to Managua.
- 2. In general, the Intelligence Community believes the Sandinistas regard negotiations primarily as a tactic to ease external pressures and buy time for their own revolutionary consolidation. They are not likely to make concessions on democratization which would endanger their internal control, and even if they temporarily agreed to stop aiding the Salvadoran insurgents, they would resume support when conditions were favorable. (See Tab A)
- 3. There is also considerable evidence that the Cubans are skeptical of US intentions and are advising the Sandinistas accordingly. Meanwhile, they are preparing for the worst and assisting Managua in doing likewise. The Sandinista's themselves are portraying the Shultz visit as a propaganda effort to save the contras, and they are telling us that unilateral concessions are out of the question. (See Tab B)
- 4. One of the major dangers of the talks is that the Sandinistas will attempt to establish private contacts which they may then reveal to other countries in the region with the claim the US is attempting to sell them out. This is a tactic the Cubans used against Haig in 1982. Managua has always sought bilateral talks and agreements as a means of dividing the opposition. They are attempting to establish private contacts with the Honduran military, and have already held talks with sympathetic Costa Rican officials in an attempt to get them to alter government policy toward the Sandinistas. (See Tab C)

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NIE 83.3-83: NICARAGUA: THE OUTLOOK FOR THE INSURGENCY 30 June 1983

Excerpts from: Key Judgments

The present level and focus of insurgent activity are not likely to influence the Sandinistas to make significant domestic or foreign policy changes. Because of the depth of the Sandinista leaders' ideological commitment, their experiences in adversity during many years as anti-Somoza guerrillas, and the strong backing they receive from Communist countries, we believe the chances are quite small that they would back down. Thus, there would probably be little practical difference in the level and quality of insurgency activity that would be sufficient to severely destabilize the regime, to force significant domestic policy changes, or to force it to reduce its commitment to promote revolutionary change elsewhere in Central America. Accordingly, requirements for external support would be similar in all three cases. This does not preclude the possibility that the Sandinistas might suggest a deceptive agreement to stop supporting the Salvadoran guerrillas in exchange for a US commitment to withdraw support from the Nicaraguan insurgents.

Excerpts from: Discussion

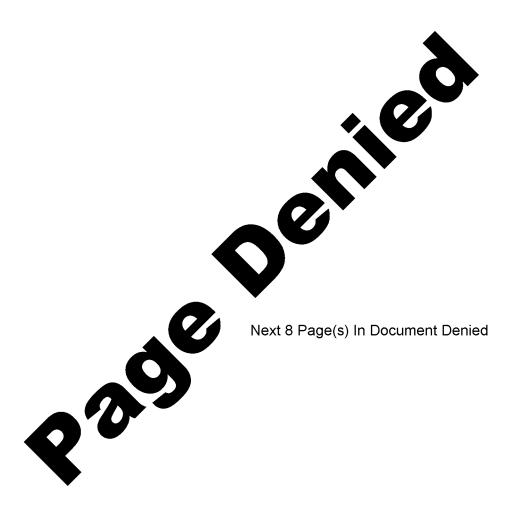
Pressuring the Regime: Sandinista leaders are committed revolutionaries who endured hardship in their long struggle for power and are prepared to continue doing so in order to retain it. They have refused to compromise their revolutionary principles and have made concessions to opponents only in those instances when repression generated a popular backlash and undercut the regime's legitimacy. Even then, however, the concessions were temporary, usually nothing more than a tactic to buy time. As long as the regime can count on Soviet and Cuban backing, a major alteration in policy is not likely, although Sandinista leaders may periodically feign an interest in dialogue or negotiations for their tactical and propaganda value.

If the insurgents were intent on pressuring the regime to change domestic or foreign policies, they would have to threaten Sandinista control seriously and generate greater popular opposition. It is important to note, however, that this would entail virtually the same strategy as the one discussed above to destablize the regime severely. In the unlikely event the Sandinistas could be cowed into making meaningful concessions, the insurgents would need a coordinated negotiating strategy and agreement on their future course of action after negotiations.

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FOR ASSISTANT SECRETARY MOTLEY FROM JOHN A. FERCH

E.O. 12356: DECL: OADR

TAGS: PREL, CU, US

SUBJ: THE CUBAN VIEW OF CUBAN/US RELATIONS -- NO EVIDENCE OF ACCOMMODATION TO "NEW REALITIES"

1. (SE- ENTIRE TEXT)

- SUMMARY: THE CUBAN GOVERNMENT HAS CONCLUDED BOTH THAT PRESIDENT REAGAN WILL BE REELECTED AND THAT THERE IS NO POSSIBILITY OF ENGAGING THE ADMINISTRATION PRODUCTIVELY. THIS DOUBLE CONCLUSION LEAVES THEM HANGING IN A POLICY SENSE. WHILE THEY PROBABLY DECIDED TO INVITE REV. JACKSON TO CUBA IN ORDER TO CREATE A PRESS OPPORTUNITY FROM WHICH THEY MIGHT INFLUENCE US PUBLIC OPINION AND THUS INDIRECTLY CONSTRAIN THE ADMINISTRATION, THAT VISIT COULD BACKFIRE FROM THEIR PERSPECTIVE. PERHAPS WE CAN HELP BRING ABOUT THAT POSSIBILITY. THE CUBANS RECOGNIZE THAT THEY ARE FACING A NEW SITUATION IN EL SALVADOR IN THE WAKE OF DUARTE'S ELECTION BUT HAVE NOT YET BEEN ABLE TO ADMIT THE LOGICAL RESULTS OF THAT CONCLUSION. END SUMMARY.
- THE CUBAN GOVERNMENT IS USUALLY ADEPT AT ADJUSTING ITS FOREIGN POLICIES TO ACCOMMODATE "NEW RAALITIES". THEY ARE SECRET

MASTERS OF DEFENDING THEIR POSITIONS WITH THE TWO STEPS FORWARD. ONE STEP BACK MANUEVER. THE TWISTS AND TURNS DURING RECENT MONTHS ON THE ISSUE OF THE SOUTHERN AFRICAN SETTLEMENT PROCESS IS A CASE IN POINT. TWO OTHER "NEW REALITIES" RECOGNIZED BY THE CUBAN GOVERNMENT ARE THE PROBABLE REELECTION OF PRESIDENT REAGAN AND THE NEW SITUATION IN CENTRAL AMERICA REPRESENTED BY THE ELECTION OF PRESIDENT DUARTE IN EL SALVADOR. I HAVE BEEN LOOKING CLOSELY FOR EVIDENCE OF CUBAN TACTICAL ADJUSTMENTS TO THESE LATTER DEVELOPMENTS BUT HAVE FOUND NOTHING. THE PENDING VISIT OF REV. JACKSON, HOWEVER, MIGHT SEEM TO SUGGEST THAT SUCH TACTICAL ADJUSTMENTS MAY BE AT HAND. TO PROBE THIS HYPOTHESIS, I MET TODAY (JUNE 13) WITH CARLOS MARTINEZ SALSAMENDI, SPECIAL ASSISTANT TO CUBAN VICE PRESIDENT CARLOS RAFAEL RODRIGUEZ. HIS REMARKS INDICATE THAT WHILE THE CUBANS CONTINUE TO TRY TO CONSTRAIN THE ADMINISTRATION THROUGH THIRD PARTITES, THEY HAVE NOT BEGUN TO CONSIDER MORE SUBSTANTIVE CHANGES IN THEIR POLICIES.

CHANGES IN THEIR POLICIES.

SALSAMENDI READILY VOLUNTEERED THAT THE CUBAN GOVERNMENT ASSESSES PRESIDENT REAGAN'S CHANCES OF REELECTION AT BETTER THAN SIXTY PER CENT. THAT ASSESSMENT, HOWEVER, HAS NOT LET THEM TO CONSIDER HOW THEY MIGHT MANAGE THE BILATERAL RELATION MORE PRODUCTIVELY DURING A SECOND ADMINISTRATION. THE APPARENT REASON THAT THEY REJECT SUCH A POSSIBILITY IS THAT THEY HAVE CONCLUDED WE ARE NOT PREPARED TO ACCOMMODATE ANY OF THEIR INTERESTS. SALSAMENDI CONTRASTED THE LIKELY COURSE OF USG/SOVIET RELATIONS DURING THE NEXT FOUR YEARS WITH USG/CUBAN RELATIONS. HE SAID THAT THEY ANTICIPATE THAT FOLLOWING HIS REELECTION, PRESIDENT REAGAN WILL SEEK TO REDUCE TENSIONS THAT EXIST IN THE US/SOVIET RELATIONSHIP. THE PRESIDENT WILL DO THIS, ACCORDING TO SALSAMENDI, BOTH BECAUSE OF PRESSURE FROM US ALLIES AND FROM THE US PUBLIC, AND BECAUSE HE WILL SEE AN IMPROVEMENT IN US/SOVIET RELATIONS AS THE CAPSTONE OF HIS EIGHT YEARS IN OFFICE. AGAIN ACCORDING TO SALSAMENDI, NO SUCH PRESSURES OR DESIRES TO LEAD THE PRESIDENT TOWARDS IMPROVED RELATIONS WITH CUBA. TO THE CONTRARY, THE PRESIDENT AND HIS "TEAM" HAVE, IF ANYTHING, REVERTED RECENTLY TO THEIR INITIAL VERY HOSTILE ATTITUDE TOWARDS CUBA. ILLUSTRATING THIS ALLEGED TREND, HE POINTED TO THE PRESIDENT'S MAY 9 SPEECH WITH ITS MANY ATTACKS AGAINST CUBA. THE ADMINISTRATION'S POSITION IN THIS RESPECT HAS BEEN FIXED BY THE COURSE OF EVENTS AND ITS INVOLVEMENT IN CENTRAL AMERICA. HAVING REPEATEDLY ASSERTED THAT CUBA IS THE SOURCE OF CURRENT TURBULENCE IN CENTRAL AMERICA, THAT IT SEEKS TO SECRET

COMMUNIZE THE REGION AND BRING IT WITHIN THE SOVIET ORBIT AND THEREBY THREATEN THE SECURITY OF THE U.S., THE ADMINISTRATION CANNOT ALTER ITS COURSE, NOR DOES. IT WANT TO. SECRETARY SHULTZ' REAFFIRMATION FOLLOWING HIS TRIP TO NICARAGUA OF THE FOUR NECESSARY INGREDIENTS FOR IMPROVED RELATIONS BETWEEN THE U.S. AND NICARAGUA IS FURTHER EVIDENCE OF USG INFLEXIBILITY SALSAMENDI HERE FOCUSED ON THE SECRETARY'S INSISTENCE THAT THE SANDINISTAS ELIMINATE THEIR, TIES WITH CUBA AND THE SOVIETS. FOR THE CUBANS, SUCH INSISTENCE CLEARLY INDICATES THAT PRESIDENT REAGAN WILL NOT COUNTENANCE ANY EFFORT TO IMPROVE BILATERAL RELATIONS. THIS BEING THE CASE, CUBA MUST PREPARE FOR A WORST-CASE SCENARIO, WHICH WOULD INVOLVE USG MILITARY ACTION AGAINST CUBA. THE PREPARATIONS AND THUS CUBAN POLICY VIS-A-VIS AGAINST THE US IN THE SECOND ADMINISTRATION ARE CENTERED ON IMPROVING CUBA'S DEFENSE CAPABILITIES THEREBY MAKING THE COST OF ANY US AGGRESSION UNACCEPTABLE. TURNING TO THE VISIT OF REV. JACKSON, SALSAMENDI WAS LESS EXPLICIT. HE SAID THAT THE CUBAN GOVERNMENT OBVIOUSLY HAS WELCOMED REV. JACKSON'S ANALYSIS OF THE CENTRAL AMERICAN CRISIS. THEY UNDERSTAND, HOWEVER, THAT REV. JACKSON IS UNLIKELY TO BE ABLE TO CHANGE THE DIRECTION OF THE ADMINISTRATION'S CUBAN AND CENTRAL AMERICAN POLICIES. NEVERTHELESS, THEY WELCOME CONTACT WITH AMERICANS SUCH AS REV. JACKSON WHO SHARE VIEWS SIMILAR TO THEIR OWN. SALSAMENDI AT THIS POINT LAMENTED THE FACT THAT CUBAN/US CONTACTS DURING THE PAST THREE AND ONE-HALF YEARS, BE THEY WITH ADMINISTRATION OFFICIALS OR OTHER AMERICANS, HAVE FALLEN FAR BELOW THE LEVEL THAT HELD DURING THE CARTER ADMINISTRATION. HAVING GIVEN THIS RATHER INANE EXPLANATION OF THE CUBAN INVITATION, SALSAMENDI CAME CLOSER TO WHAT IS PROBABLY THEIR TRUE PURPOSE BY SAYING THAT THE VISIT WILL BE WIDELY PUBLICIZED IN THE US AND THROUGH SUCH PUBLICITY MAY INDIRECTLY AFFECT USG POLICIES. 6. TURNING TO THE SITUATION IN CENTRAL AMERICA, SALSAMENDI ACKNOWLEDGED THAT THE ELECTION OF PRESIDENT DUARTE CONSTITUTES A NEW "REALITY" THAT MUST BE ACKNOWLEDGED. HE THEN IMMEDIATELY DISCOUNTED THE IMPORTANCE OF THAT REALITY BY ASSERTING THAT DUARTE DOES NOT REPRESENT ANY INDEPENDENT FORCE IN EL SALVADOR. HE IS A CREATURE OF US POLICY AND AS SUCH IS AN OPPORTUNIST WITHOUT PRINCIPLES. MORE TO THE POINT, DUARTE WILL NOT BE ABLE TO CONTROL THE SALVADORAN MILITARY AND THEIR ALLIES IN THE ECONOMIC ELITE OF THAT COUNTRY. AS PROOF OF HIS THESIS. FOR ASSISTANT SECRETARY MOTLEY FROM JOHN A. FERCH SALSAMENDI POINTED TO DUARTE'S "FLIP-FLOP" REGARDING NEGOTIATIONS WITH THE GUERRILLAS. WHEREAS DURING HIS ELECTORAL CAMPAIGN DUARTE INDICATED THAT HE WOULD SECRET

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NEGOTIATE WITH THE GUERRILLAS, HE NOW RULES OUT THAT POSSIBILITY. ALTHOUGH ACKNOWLEDGING THAT DUARTE'S FIRST TASK IS TO ESTABLISH HIS ADMINISTRATION AND THUS HE CANNOT BE EXPECTED TO ENTER INTO NEGOTIATIONS AT THIS POINT IN TIME, SALSAMENDI ARGUED THAT DUARTE DID NOT HAVE TO CLOSE HIS OPTIONS REGARDING NEGOTIATIONS. WHEN THE GUERRILLAS OFFERED TO ENTER INTO TALKS, DUARTE COULD HAVE KEPT HIS SILENCE. HE DID NOT HAVE TO RULE OUT TALKS "WHILE GUNS ARE ON THE TABLE." , BY RULING OUT TALKS, DUARTE REVEALED BOTH HIS SUBSERVIENCE TO THE MILITARY AND THE FALSITY OF US CLAIMS THAT IT DOES NOT SEEK A MILITARY SOLUTION IN EL SALVADOR. DUARTE IS IN EFFECT A FICTION AND BECAUSE THE GUERRILLAS CONSTITUTE A MILITARY/POLITICAL REALITY, THEY CANNOT BE IGNORED OR PUSHED ASIDE. THE ELECTION OF DUARTE THUS CANNOT BE CONSIDERED TO BE A "SIGNIFICANT" NEW DEVELOPMENT. 7. COMMENT: I READ FROM SALSAMENDI'S REMARKS THAT THE CUBAN GOVERNMENT HAS NOT YET COME TO GRIPS WITH THE PROBLEM POSED BY A SECOND REAGAN ADMINISTRATION THAT IS DETERMINED TO SUSTAIN ITS CURRENT POLICIES IN CENTRAL AMERICA. FOR THE MOMENT, THEREFORE, THE CUBANS ARE STANDING PAT. THE INVITATION TO REV. JACKSON DOES NOT CONSTITUTE ANY TACTICAL DEPARTURE FROM THE STANCE THEY HAVE HELD FOR THE PAST TEN MONTHS. RATHER, THEY ARE SIMPLY SEIZING AN OPPORTUNITY TO TRY TO BUILD PRESSURE WITHIN THE US AGAINIST THE ADMINISTRATION'S CENTRAL AMERICAN IN THIS SENSE THE INVITATION DOES NOT DIFFER SIGNIFICANTLY FROM CASTRO'S EFFORTS EARLIER THIS YEAR TO CONVINCE OPPONENTS OF THE ADMINISTRATIN THAT THEY SHOULD UNITE TO PREVENT THE USG FROM INTERVENING MILITARILY IN CENTRAL AMERICA. I, THEREFORE, EXPECT CASTRO DURING THE VISIT TO ATTEMPT TO CONTRAST THE ADMINISTRATION'S ALLEGED INTRANSIGENCE IN THE REGION WITH CUBA'S FLEXIBILITY. HE WILL BEMOAN THE ADMINISTRATION'S INABILITY TO UNDERSTAND THE ROOTS OF THE CENTRAL AMERICAN CRISIS AND EXPOUND UPON HIS OWN VISION OF AN INDIGENOUS UPRISING AGAINST SOCIAL/POLITICAL REPRESSION. WE WILL HEAR MUCH ABOUT THE NEED TO COMBAT POVERTY AND TO PERMIT THE CENTRAL AMERICANS TO UNDERTAKE THE PROFOUND SOCIAL/POLITICAL REFORMS THEY DESIRE. USG SECURITY CONCERNS WILL BE DISMISSED AS A FIGMENT OF ITS PARANOIA.

IN USING THE VISIT TO REINFORCE AMONG OPPONENTS OF THE ADMINISTRATION THIS VERSION OF CONVENTIONAL WISDOM, CASTRO WILL FACE TWO PROBLEMS. FIRST, IF HE LETS HIS PERSONAL ANTIPATHY TOWARDS PRESIDENT REAGAN SHOW, HIS REMARKS IN THIS CONTEXT COULD WELL BACKFIRE, EVEN AMONG CONVINCED OPPONENTS OF OUR CENTRAL AMERICAN POLICY. SECOND,

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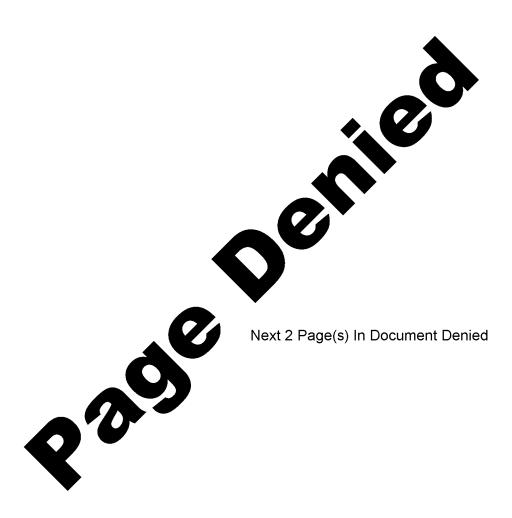
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HE WILL HAVE TO PUBLICLY SUPPORT THE CONTADORA PROCESS BUT AT THE SAME TIME AVOID BEING PINNED DOWN ON THE SPECIFICS OF THAT PROCESS. HE WILL OBVIOUSLY TRY TO SIDESTEP THE ISSUES OF VERIFICATION AND DEMOCRATIC DEVELOPMENT IN NICARAGUA. IF HE SLIPS AND ASSERTS, AS THE SANDINISTAS ON OCCASION HAVE, THAT THOSE ISSUES CONSTITUTE AN UNJUSTIFIED INTERVENTION IN THE INTERNAL AFFAIRS OF NICARAGUA AND THUS INFRINGE UPON ITS SOVEREIGNTY, HE ALSO RISKS A PUBLIC RELATIONS BACKFIRE. CASTRO IS AN ASTUTE ENOUGH POLITICIAN AND THUS PROBABLY WILL NOT SLIP. HOW, THEREFORE, CAN WE PUSH HIM CLOSER TO THAT POSSIBILITY? OBVOUSLY, DURING THE PRESS CONFERENCES(S) THAT HE IS LIKELY TO HAVE DURING THE VISIT, SOME JOURNALIST MIGHT BE WILLING TO PIN HIM DOWN AND FORCE AN EXPLICIT STATEMENT OF THE CUBAM POSITION ON VERIFICATION AND PLURALISM IN NICARAGUA. SIMILARLY, PROPER QUESTIONING COULD REVEAL THE HOLLOWNESS OF THE CUBAN STAND ON CONTADORA. 9. FOR THE RECORD, MY APPROACH IN THIS CONVERSATION WAS TO THROW OUT SUBJECT MATTER AND LET SALSAMENDI TALK. BECAUSE I WAS SEEKING HIS VIEWS, I SOUGHT TO AVOID A DEBATE. THUS, I SIMPLY SAID AT THOSE POINTS WHERE OUR ANALYSES DIFFERED OR HIS INTERPRETATIONS OF OUR POLICY ERRED FROM THE FACTS, THAT I DISAGREED. AT NO POINT DID HE QUERY ME. FERCH

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RUFHOL/AMEMBASSY BONN 402
RUEHLD/AMEMBASSY LONDON 358
RUEHMO/AMEMBASSY MOSCOW 295
RUFHER/AMEMBASSY PARIS 461
RUEHRO/ MEMBASSY ROME 548
RUDKESQ AMEMBASSY STOCKHOLM 098
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EZ1:
UNCLAS MANAGUA 3159
EZ2:
EO 12356: N/A
TAGS: PAEL . PGOV. NU. US
SUBJ: CATEGA CALLS US INTEREST IN NEGOTIATIONS "PROPAGANDA"
1. JUNTA COORDINATOR DANIEL ORTEGA. SPEAKING TO A PRESS
CONFERENCE JUNE 9. CHARGED THAT THE U.S. HAD LAUNCHED A
MILITAR' CAMPAIGN WHOSE END WAS A "SUPPOSED NEGOTIATION" WHICH
WOULD RESULT IN THE "CRIPPLING OF NICARAGUA, THE "SURRENDER"
OF THE ORN AND AN END TO THE FSLN REVOLUTION. ORTEGA: ACCORDING
TO BARR CADA JUNE 11. SAID THE ADMINISTRATION'S INTEREST IN
NEGOTIALIONS WAS "ONLY A PROPAGANDA ELEMENT ... TO COVER ANY
FLANK NOT COVERED" BY U.S. AGGRESSION. HE ADDED THAT THE U.S.
"HAS BE IN OBLIGED" TO APPEAR TO BE IN FAVOR OF DIALOGUE BECAUSE
OF CONGRESSIONAL EFFORTS TO DISMANTLE U.S. AID TO THE ARMED
COUNTERNE VOLUTION.
2. BARRACADA ADDED, HOWEVER, THAT "ORTEGA INDICATED THAT NICA-
RAGUA CANNOT LOSE HOPE THAT CONGRESSIONAL PRESSURES WILL OBLIGE
WASHING YOU TO ENTER INTO DIALOGUE WITHIN THE FRAMEWORK PROPOSED
BY OUR GOVERNMENT. THAT IS. WITHIN A FRAMEWORK OF MUTUAL
RESPECT ..
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     EO 12356 : DECL: CADR
     TAGS : FREL NU US
     SUBJ : DR I OFFICIAL ON SHLAUDENAN-TINOCO TALKS
            A) MANA GUA 2768; B) MANA GUA 3882; C) MANA GUA 3871;
     REF
             C) MANAGUA 3123
     1. FAMON MENESES, IN CHARGE OF NORTH AMERICAN AFFAIRS FCR
     THE FSLN'S DEFARTMENT OF INTERNATIONAL RELATIONS CORID.
     CONFIRMED JUNE 9 IN A CONVERSATION WITH THE POLCOUNS THAT
     THERE WAS A GOOD DEAL OF SKEPTICISM WITHIN THE FSLN OVER U.S.
     MOTIVES FOR PROPOSING THE SHLAUDERAN-TINOCO TALKS. HE TOLD
     DCM SEPARATELY AND POLCOUNS THAT HE PERSONALLY HAD ARGUED
     STRENUSCUSLY IN FSLN COUNCILS THAT THE GRN TAKE THE TALKS
     SERIOUSLY" AS THE BEST POPE THE TWO SIDES HAD TO AVOID A
     MILITARY CONFRONTATION CONTRARY TO THE INTERESTS OF THE WHOLE
     REGION. HE IMPLIED THAT HE HAD NOT FOUND MANY SUPPORTERS
     FOR HIS VIEWS.
     2. IN FURTHER DISCUSSION WITH POLCOUNS MENESES SAID THAT
     THE TALKS. IF THEY ARE TO SUCCEED. MUST GO BEYOND YET
     ANOTHER REPETITION OF VIEWS. EACH SIDE MUST DISCUSS CONCRETE
     STEPS AND SHOW IT WAS WILLING TO TAKE THEM. HE SAID THE GRN.
0
     FOR ITS PART. WAS READY TO DO SO. HE SAID THE NICARAGUAN
     DELEGATION TO THE TALKS HAD ALREADY BEEN CHOSEN: TINOCO.
     ARMY CHIEF OF INTELLIGENCE JULIO RAPOS, AND MINNISTRY OF
     EXTERIOR NORTH AMERICAN DEFARTMENT CHIEF SAUL ARANA.
     3. POLCOUNS OFFERED OPINION THAT THE FSLN FOLICY STATEMENT
     ISSUED MAY 18 DURING THE SANDINISTA ASSEMBLY (REF A) AND
                                 CONFIDENTIAL
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Sanitized Copy Approved for Release 2011/02/18: CIA-RDP86B00420R000200430005-8 24 (STAX) A38 *12/86/84* *92:52* M3 GNO ITS JUNE 5 STATEMENT ON STRATEGY AGAINST THE COUNTERREVOLU-TION (REF B) INDICATED THAT THE NATIONAL DIRECTORATE HAD MADE SOME IMPORTANT DECISION S ON NATIONAL POLICY IN COMING MONTHS. MENESES AGREED. OFFERING THE INTERPRETATION THAT THE STATEMENTS WERE INTENDED TO PREPARE THE NATION BOTH FOR FURTHER NEGOTIATIONS ON PEACE AND FOR THE EVENTUALITY THAT THOSE NEGOTIATIONS MIGHT FAIL. POLCOUNS SAID THE POLICY LINE THE STATEMENTS HAD TAKEN WAS A VERY TOUGH ONE. MENESES REPLIED THAT THE LINE WAS NECESSARY UNDER PRESENT COMDITIONS. 4. COMMENT: FSLN SKEPTICISM OVER NEGOTIATIONS AT THIS STAGE WITH THE U.S. IS BEING EXPRESSED PUBLICLY. AS WE HAVE REPORTED REFS C AND O. BY SEPTEL WE ARE REPORTING FURTHR FUELIC REMARKS BY DANIEL CRIEGA JUNE 18 THAT THE U.S. VIEW OF NEGOTIATION WITH THE GRN IS THE LATER'S SURRENDER. BERGOLD

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NICARAGUA TO CONFRONT THE WAR. TINOCO CONCLUDED BY COMMENT-ING THAT THE REAGAN ADMINISTRATION WAS CHANGING ITS STYLE IN AN FLECTION YEAR, INTRODUCING THIS POLITICAL-DIPLOMATIC ELEMENT WHICH COULD HELP CREATE CONDITIONS MORE FAVORABLE TO ITS ENDS; HE WARNED ALSO THAT THESE CONDITIONS COULD BE INTENDED TO SET THE STAGE FOR NEW MILITARY ATTACKS LATER ON.

2. (C) COMMENT: TINOCO'S REMARKS DEMONSTRATE THE EXTREME SKEPTICISM WITHIN THE RANKS OF THE FSLN ABOUT US MOTIVES. ON JUNE 20, LEONEL PALACIOS, A LOW LEVEL OFFICIALS IN THE FSLN'S INTERNATIONAL RELATIONS DEPARTMENT (DRI), TOLD POLOFF THAT HIS COLLEAGUES WERE CONCERNED THAT THE US INTENDED TO STRING OUT THE SHLAUDEMAN-TINOCO DISCUSSIONS AND ULTIMATELY INSIST ON CONDITIONS WHICH THE FSLN WOULD HAVE TO REJECT. PALACIOS ADDED THAT THE PREVAILING OPINION IN THE FSLN WAS THAT THE SECRETARY'S TRIP AND THE PROPOSED DIALOGUE WERE MERELY ELECTION-YEAR POLITICS AND NOT INTENDED TO ACHIEVE RESULTS! THE REAL US OBJECTIVE, THEY FEARED, WAS TO DECEIVE THE WORLD INTO BELIEVING THE US WAS MAKING AN EARNEST EFFORT AT NEGOTIATIONS AND THEN, WHEN THE TALKS BROKE DOWN, TO ARGUE THAT IT HAD NO ALTERNATIVE BUT TO RESORT TO MILITARY PRESSURE. BERGOLD

END OF MESSAGE CONFIDENTIAL



